



FISCAL YEAR **2018** PROPOSED BUDGET

City Manager's Proposed Budget Overview

July 31, 2017

CITY OF
LONG BEACH

Long Beach Is An Exciting Place To Live And Work



- Building a new \$525m **Civic Center**
- Building another **world-class library**
- Constructing \$1.5b **Gerald Desmond Bridge**
- \$2.5b in **private investments**
- **Most walkable city** on the West Coast; one of most bicycle friendly cities in the nation
- **Top 10 digital city**
- **Leader in climate change study**
- Award-winning **Long Beach College Promise**
- **Lowest unemployment rate** in more than 25 years

Many Innovations and Efficiencies Accomplished

- Implemented **DataLB**, **electronic plan check**, **BizPort**, **Inspector Gadget**, **Cityworks** (field ipads), and i-team **Data Mart** (data sharing)
- Nearly complete: **automated meter reading implementation**, **LED street light conversion** (2nd phase), and **street sweeping optimization**
- **Using data to drive investment** through Pavement Management Plan, Alley Management Plan, Sidewalk Master Plan, and a Facility Condition Assessment
- Other mobility efficiencies include use of **eco-totem**, **EzcommuteLB** and **EzparkLB**
- Opened a **CNG fueling station** and continue to invest in a **sustainable fleet**
- LBCOAST project continues to **modernize City's HR, finance and budget systems**





Enhances Our Highest Priority—Public Safety

- With Measure A Funds
 - Continues to restore and maintain **South Police Division, Police Academy operations, Fire Engine 8, and Paramedic Rescue 12**
 - Preserves existing Police and Fire services
 - **Neighborhood Safe Streets Initiative** in Police - \$1m
 - Support **4th back-to-back Police Academy** - \$4.3m
 - Safety **camera network modernization & expansion** - \$750k
- With Other Funds
 - 28 Police positions added for **Metro Blue Line enforcement**
 - Structural funding of Fire **HEART Team**
 - 2 Fire positions to conduct marijuana inspections

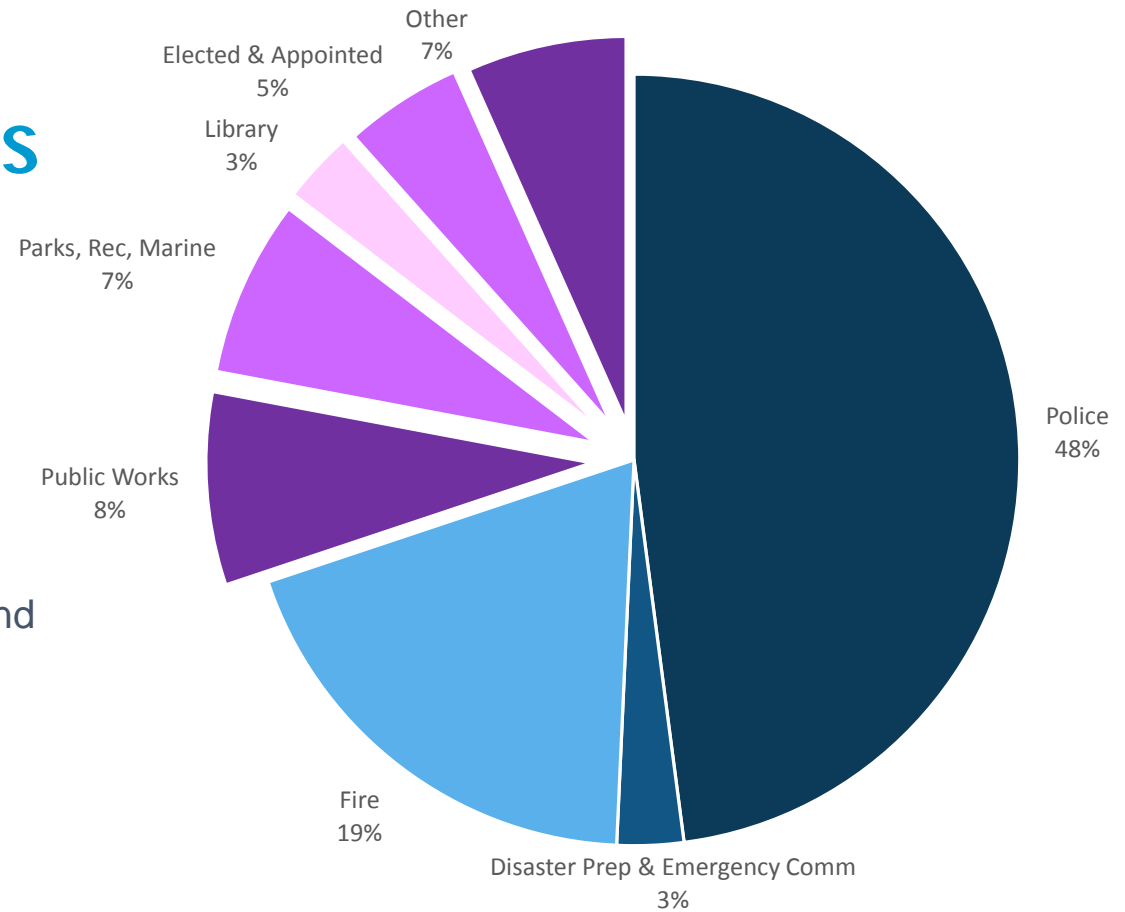
Significant Investment in Public Infrastructure

- Measure A funds in FY 18 to address City's aging infrastructure - \$26.3m
- This supplements \$69.3m Capital Improvement Program investing in:
 - Mobility
 - Public Facilities
 - Parks and Recreation
 - Beaches and Waterways
 - Utilities



Preserves the Balance of Services City Wide

- Budget maintains the relative priorities previously established by the Mayor and City Council to ensure an efficient, full-service City
- Public Safety is about 70% of General Fund departmental budget





Promotes Street and Mobility Improvements

- New **Transportation Mobility Bureau** in Public Works
- 2 positions for **Long Beach Bike Share program & LA Metro initiatives**
- New **pothole crew** for enhanced response to pothole requests

Focuses on Addressing Homelessness

- \$1.4m of Measure MA marijuana tax to fund **homeless rapid response activities & existing MSC Operations**
- Direct funding from LA County Measure H for **homelessness strategies**
- **FUSE Corps Fellow** to focus on innovative solutions for homeless population



Supports Clean Team Operations

- 2 additional **Clean-Teams** (4 total) for beautification efforts and trash clean up
- **Refuse rate restructuring** as part of multi-year strategy to address Refuse Fund structural deficit





Focuses on Economic & Neighborhood Development

- **Restructuring of ED Dept.**, including 2 new positions for oversight of Urban Commons lease & maintenance of City-owned properties
- **Property management database** - \$50k
- **Permit Center Officer** to minimize wait time
- **Study support:** Noise Element, Open Space Element, Zoning Code Assessment, North Long Beach Uptown Plan, and Short Term Rental Ordinance - \$550k in one-times



Invests in Art and Culture

- **Wayfinding signage program** - \$1m one-time
- **Beach Streets** – two events - \$500k one-time
- **POW! WOW!** Art mural event - \$50k one-time
- **Convention and Visitors Bureau** - \$100k on-going
- **Arts Council** with \$50k 1-to-1 match & \$50k on-going
- City's **reappraised art collection** insurance - \$75k
- **Media relations & marketing** investments

Supports City Council Priorities

- **Language Access Plan** - \$80k one-time
- **Be SAFE** current locations - \$192k one-time, \$80k ongoing
- **Sunday Library Hours** current locations - \$268k one-time
- **Municipal Band** full 6-week season - \$66k ongoing
- **Animal Care Services** - 2 new positions
- **Office of Aging** position - \$110k one-time
- **Office of Equity** - 1 grant funded position





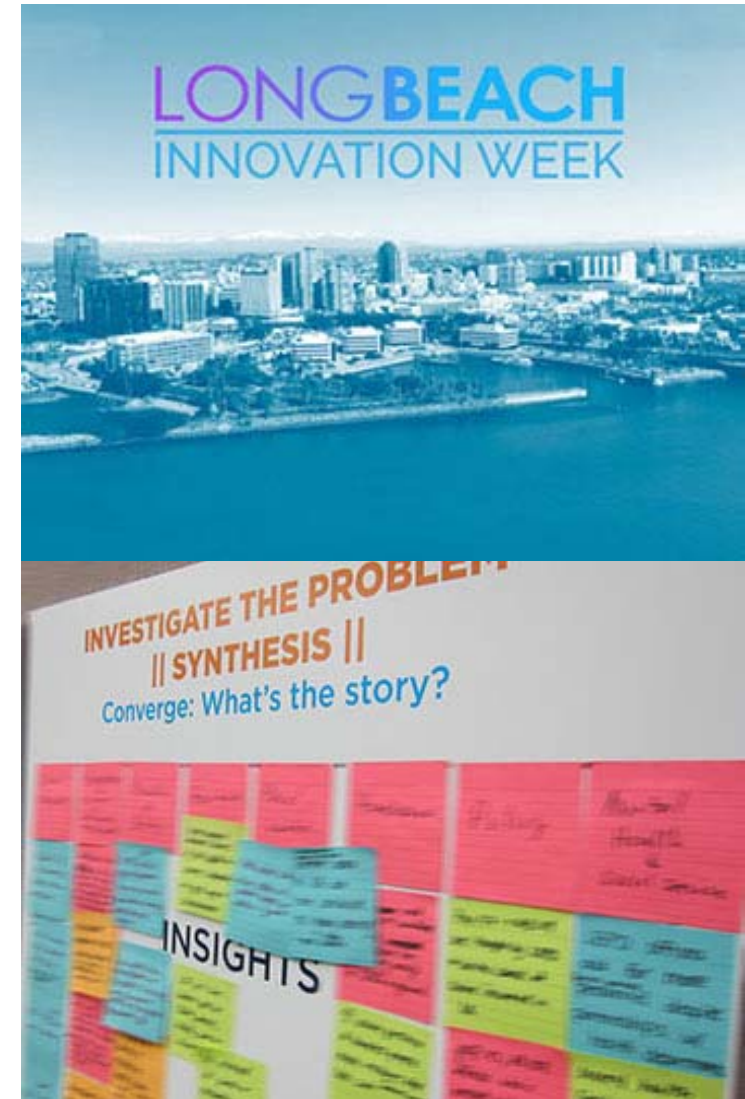
Invests in Technology

- **Fiber Communications** expansion - \$400k
- City's **phone system upgrade**, including 911 Automatic Location Identifier, **single phone number** for City - \$800k
- **Website** upgrades and maintenance - \$150k
- Maintenance of **GEO HUB open data** sharing platform - \$100k one-time
- Other **Urgent Technology Upgrades** - \$750k one-time



Invests in Innovation and Efficiencies

- **Restructured i-team** to help departments with high-priority issues
- **FUSE Corps** for homelessness issues, hiring policy efficiencies, and strategic plan for senior services
- **Civil Service investments** to improve speed of filling critical City positions
- **Youth and adult sports tournament** pilot programs
- New online **public records management** system



Significant Unfunded High Priority Needs Remain

Recommend these needs be considered first, if new revenues identified:

- Budget for **watering parks and medians** are underfunded by \$1.2m
- **Unrepaired damage to buildings from storms** of almost \$5m
- **Stormwater protection requires upgrades** of nearly \$10m
- **Park tree and grass median removal and replacement**, starting at \$500k annually
- **Backlog of maintenance, capital improvement & technology projects**

Fiscal Outlook

- FY 18 is balanced but there are future shortfalls driven primarily by pension increases
- Measure A funding has been essential to maintain public safety and substantially improved this outlook
- Assumes no recession and includes current bargaining agreements
- Addressing the projected shortfalls will be a priority for FY 18

General Fund Surplus/ Shortfall (in \$ Millions)				
	FY 18 Projection	FY 19 Projection	FY 20 Projection	Cumulative
Current Projection	\$0.1	(\$10.4)	(\$8.7)	(\$19.1)

Balancing Actions and Risks

- FY 17 revenues are not as strong as hoped, primarily due to property tax appeals in the Port area. Bottom line expected to be close with either a small surplus or shortfall
- FY 18 is balanced through several actions that provide additional funding for operations, with some having a trade-off of less one-times and additional budget risk
 - Revenue budgeting approach that uses expected revenue based on history of prior year surpluses
 - Less funding for insurance based on history of past cost
 - Recognizing savings from natural turnover of positions
 - Use of non-functional CalPERS stabilization fund to fund critical one-time needs
 - Shifting of expenses into other eligible funding sources
 - Uses Measures A and MA projections based on preliminary estimates

Considerations for the Future

- Various factors will impact the City's future budget situations and will be monitored and taken into account as appropriate, including:
 - Expenditures growing at inflation rate or higher, combined with limited revenue growth and dependence on some business categories for revenues
 - The price of oil, extraordinary pension cost increases, and future employee bargaining agreements
 - Litigation remains a significant challenge— General Fund funds received from gas, water, and sewer operations at risk; not included in current projections
 - Unfunded needs in technology and other infrastructure/asset needs
 - New initiatives
 - Occupancy of the new civic center and associated development
 - Federal and State actions
 - Impact of Measure A and Measure MA (Marijuana)
 - Impact of continued economic development

Strategies for the Future

- Focus on strong economic development aided by \$2.5 billion of private investment
- Continue strong financial management by structurally balancing budgets and placing 5% of one-time revenues in unfunded liability reserve
- Develop short-term and long-term plans to address City's operational, infrastructure and other one-time needs as a priority in FY 18
- Ensure reserves are funded within the City Council-approved policy levels
- Continue focus on innovations, exploring cost reductions, and ways to maximize existing and new revenues



FY 18 Budget Highlights

- FY 18 budget is structurally balanced
- Invests in public safety and infrastructure
- Focuses on mobility, homelessness, clean city services, economic development, arts and culture, technology and innovation



FY 18 Budget Timeline

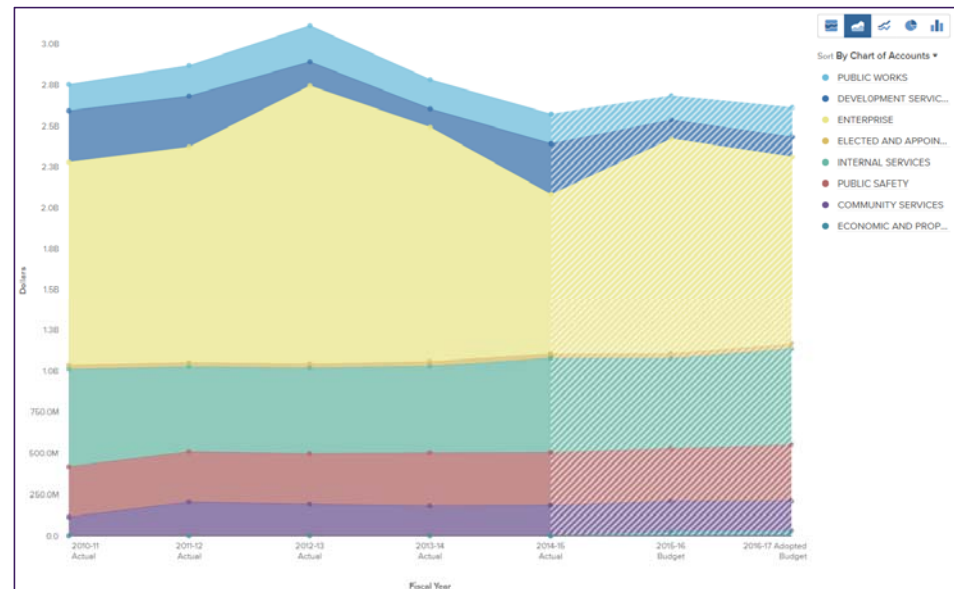
- Through today:
 - **March 14** – Fiscal Outlook City Council Presentation
 - **March 15** – Instructions to Departments
 - **July 3** – Submittal of Proposed Budget to Mayor
 - **July 25** – Study Session on Capital Improvement Plan and Budget Oversight Committee (BOC) meeting
 - **July 31** – Mayor Submits Proposed Budget to City Council
- Upcoming:
 - **August** - Community Budget Meetings (TBD)
 - **August/September** – BOC Meetings (TBD)
 - **August 8** – Budget Hearing
 - **August 15** – Budget Hearing
 - **August 22** – Budget Hearing
 - **September 5** – Budget Hearing and 1st Adoption Date
 - **September 12** – Budget Hearing and 2nd Adoption Date

Opportunities for Community Engagement

- Attend Budget Hearings
- Attend Community Budget Meetings
- Attend Budget Oversight Committee Meetings
- Participate in the City of Long Beach Survey on funding priorities
- Use openLB to explore the proposed budget visually

Please check one box for each service.

	Very Important	Somewhat Important	Not Very Important	Not at All Important	No Opinion
Providing free or low-cost recreation programs for youth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintaining and repairing public buildings (community and senior centers, fire stations, libraries, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing special events and programs for families	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintaining a low crime rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preparing the community for emergencies or disasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing programs for seniors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintaining parks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing neighborhood police patrols	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>





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